

Peter G. McAllen (State Bar No. 107416)  
JONES DAY  
555 S. Flower St., 50th Floor  
Los Angeles, CA 90071  
Telephone: (213) 489-3939  
Facsimile: (213) 243-2539  
E-mail: pmcallen@jonesday.com

Tobias S. Keller (State Bar No. 151445)  
JONES DAY  
555 California Street, 26th Floor  
San Francisco, CA 94104-1500  
Telephone: (415) 626-3939  
Facsimile: (415) 875-5700  
E-mail: tkeller@jonesday.com

Attorneys for Plaintiff  
PUBLIC UTILITY DISTRICT NO. 2  
OF GRANT COUNTY, WASHINGTON

[Appearance of additional counsel noted on signature page]

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION

PUBLIC UTILITY DISTRICT NO. 2 OF  
GRANT COUNTY, WASHINGTON

Plaintiff.

vs.

PACIFIC GAS AND ELECTRIC COMPANY

Defendant.

Case No. 07-3243 JSW

Chapter 11 Case

Bankr. Case No. 01-30923 DM

**SECOND JOINT STATUS REPORT  
ON SETTLEMENT**

1 Pursuant to this Court's March 3, 2008 Order (Docket No. 43), Plaintiff Public Utility  
2 District No. 2 of Grant County, Washington ("Grant County") and Defendant Pacific Gas and  
3 Electric Company ("PG&E"; collectively with Grant County, the "Parties"), by and through their  
4 respective attorneys of record, hereby file this Joint Status Report regarding the settlement in  
5 principle reached between the parties:

6 1. As reported to the Court in the Joint Notice of Settlement in Principle (Docket  
7 No. 40) filed on January 24, 2008, the Parties reached a settlement in principle on the matters  
8 underlying this proceeding.

9 2. On March 28, 2008, the Parties filed a Joint Status Report on Settlement (Docket  
10 No. 44). As noted in the Joint Status Report, there are multiple parties to the settlement in  
11 addition to Grant County and PG&E, including Southern California Edison Company, San Diego  
12 Gas & Electric Company, People of the State of California, *ex rel.* Edmund G. Brown Jr.,  
13 Attorney General, California Department of Water Resources-California Energy Resource  
14 Scheduling and the California Public Utilities Commission.

15 3. The parties to the settlement subsequently finalized the terms of the settlement,  
16 and on May 6, 2008, submitted the settlement to the Federal Energy Regulatory Commission  
17 ("FERC") for approval.

18 4. On May 23, 2008, FERC issued an Order Approving Settlement. Grant County's  
19 bankruptcy claim in PG&E's bankruptcy case has been resolved by the settlement, and Grant  
20 County's request to the Court in this case to withdraw the reference and transfer venue of the  
21 claim is moot. Accordingly, Grant County will promptly dismiss this action.

22 5. In view of the impending dismissal of this action, the Parties respectfully request  
23 that the Court's January 25, 2008 Order holding these proceedings in abeyance remain in effect  
24 pending such dismissal.

1 Dated: June 4, 2008

Respectfully submitted,

2 JONES DAY

3  
4 By: /s/ Peter G. McAllen  
Peter G. McAllen, CA SB#107416

5 Attorneys for Plaintiff  
6 PUBLIC UTILITY DISTRICT NO. 2 OF GRANT  
7 COUNTY, WASHINGTON

8 Dated: June 4, 2008

HELLER EHRMAN LLP

9  
10 By: /s/ Peter J. Benvenuti  
Peter J. Benvenuti

11 Attorneys for Defendant  
12 PACIFIC GAS AND ELECTRIC COMPANY

13 Marie L. Fiala (State Bar No. 79676)  
14 Peter J. Benvenuti (State Bar No. 60566)  
15 Russell P. Cohen (State Bar No. 213105)  
16 HELLER EHRMAN LLP  
17 333 Bush Street  
San Francisco, CA 94104-2878  
Telephone: (415) 772-6000  
Facsimile: (415) 772-6268  
Email: Marie.Fiala@hellerehrman.com

18 Gary M. Kaplan (State Bar No. 155530)  
19 HOWARD RICE NEMEROVSKI CANADY  
20 FALK & RABKIN  
A Professional Corporation  
21 Three Embarcadero Center, Seventh Floor  
San Francisco, CA 94111-4024  
22 Telephone (415) 434-1600  
23 Facsimile (415) 217-5910  
Email: gmkaplan@howardrice.com

24 Attorneys for Defendant PACIFIC GAS AND  
25 ELECTRIC COMPANY